

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



March 30, 2004

To All Local Exchange Carriers and Competitive Local Carriers:

The Telecommunications Division (TD) has learned that some telecommunication carriers offering local exchange service in California may not be complying with the requirements of General Order (GO) 153. GO 153 governs the provision of basic service to residential customers who request service either as a new Universal Lifeline Telephone Service (ULTS) customer, or who are changing their customer status to a ULTS customer. TD is concerned that all carriers may not consistently observe the requirements of GO 153, as intended by the Commission.

Details of compliance problems have been brought to our attention by the ULTS Call Center, which is operated on behalf on the Commission by Richard Heath and Associates (RHA). The call center has documented multiple instances where carriers' incorrect procedures are resulting in qualified ULTS customers being denied service, being required to pay more for connection of service than allowed under ULTS, or being required to pay deposits, etc., inconsistent with GO 153.

In order to ensure that carriers are correctly following GO 153 requirements, TD clarifies below some of the rules carriers must follow when establishing ULTS service for a residential customer. In this clarification, TD is focusing on those issues that seem to be the source of most of the confusion.

I. DEPOSITS

A carrier may *not*, under any circumstances, require a deposit from a ULTS customer. This applies even if a credit check of the customer shows bad credit or no credit.

II. PAYMENT OF OUTSTANDING BILLS

A carrier may not require a customer to pay off an outstanding toll bill prior to ULTS service being connected at a customer's place of residence. Prior to ULTS being reinstated at the same address or installed at a new address, the carrier may only require the ULTS customer to pay or make payment arrangements to pay, any overdue ULTS rates and charges. However, as long as the customer is offered, and accepts, toll blocking as a requirement of receiving ULTS, the carrier cannot require payment of outstanding toll, in part or in total, prior to the carrier installing ULTS service. There is no restriction on the carrier pursuing payment of the outstanding toll bill through other legal means available to that carrier. But the ULTS customer cannot be denied basic local exchange service based on an outstanding toll bill.

It does not make any difference whether a customer's outstanding toll bill has been sent to collections or is in any way being pursued for payment by the carrier or collection agency

III. COST OF INSTALLATION OF ULTS SERVICE

The cost to a ULTS customer for installation of new ULTS service is 50% of the carrier's normal tariffed installation rate, or \$10, whichever is the lowest. Carriers must offer ULTS customers the option of paying the ULTS connection charge in three equal monthly installments with no interest charges. Carriers may also offer ULTS customers the option of paying the ULTS connection charge in equal monthly installments for a period not to exceed 12 months with no interest charges.

The ULTS charge for existing residence customers converting to ULTS service shall equal the lower of (i) \$10.00, or (ii) 50% of the carrier's regular tariffed non-recurring charge for the initial connection of a single residential telephone line.

IV. ULTS MONTHLY RATE

The ULTS discounted monthly rate for flat-rate local service shall equal the lower of (i) 50% of the carrier's regular tariffed rate for flat-rate local basic exchange service, or (ii) one-half of Pacific Bell's regular tariffed rate for flat-rate local service. One-half of Pacific Bell's regular tariffed rate for flat-rate local basic exchange service is currently \$5.34 per month. ULTS customers subscribing to ULTS flat-rate service shall receive unlimited local calling.

The ULTS discounted monthly ULTS rate for measured-rate local basic exchange service shall equal the lower of (i) 50% of the carrier's regular tariffed measured-rate service for local residential service, or (ii) one-half of Pacific Bell's regular tariffed measured-rate service. One-half of Pacific Bell's regular tariffed measured-rate service is currently \$2.85 per month.

ULTS customers subscribing to ULTS measured-rate service shall receive 60 untimed local calls per month. The utility shall charge \$0.08 per call for each local call in excess of the 60-call allowance per month.

V. ULTS NOTICE, ENROLLMENT FORMS AND REQUIRED INFORMATION

Although the Call Center generally deals with customers who know they are qualified for ULTS service, TD reminds carriers that they must inform all residential customers of the availability of ULTS service when the customer calls to establish local basic exchange service. If the customer indicates they are interested in enrolling in ULTS the carrier shall inform the customer about the ULTS criteria and ask the customer if they meet the criteria, without the customer having to disclose their specific household income level.

The customer cannot be required to disclose their social security number, however, the customer must be willing to provide another form of identification acceptable to the carrier.

If a customer verbally certifies that he or she is eligible to participate in the ULTS program, the carrier shall immediately enroll the customer into the ULTS program and send to the customer a customer self-certification form. Customers must submit to the carrier a signed self-certification

form within 30 days of being admitted into the ULTS program in order to remain in the ULTS program. Under no circumstances can a carrier postpone provision of any of the ULTS program benefits until the carrier receives the self-certification form.

VI. PLACE OF RESIDENCE

The residence at which the service is requested is the customer's principal place of residence. This includes, but is not limited to, a rented room in another person's house, in a residential hotel or other arrangements that result in a customer claiming as their primary residence a portion of a physical premise that may be occupied by other customers.

The CPUC is particularly disturbed that the examples of non-compliance are being provided by the CPUC-funded Universal Lifeline Telephone Service (ULTS) Call Center, which assists potential ULTS customers in their sign up for the service. These customers have either learned about ULTS through Community and Faith Based organizations (which receive funding for that purpose from the ULTS marketing program), or through CPUC-funded media activities, or through CPUC-funded marketing materials. Yearly, the CPUC spends millions of ratepayers' dollars funding marketing and outreach activities to encourage qualified customers to sign up for ULTS service. The CPUC spends approximately \$1.5 million a year to fund the call center so that customers for whom English is not their primary language, can receive assistance in signing up for ULTS.

Therefore, the CPUC is alarmed to discover that when potential ULTS customers are finally ready to sign up for service, after being informed about the details of the provision of the service through CPUC funded activities, the customers are being turned away for reasons that are inconsistent with what has been explained to them in CPUC-sponsored venues.

Some carriers have already been contacted by the ULTS Call Center, administered by RHA, Inc., under contract to the CPUC, regarding specific interactions between Call Center operators and carrier service representatives where the treatment given the prospective ULTS customer is inconsistent with GO 153. Generally, the Call Center management will request that the carrier investigate the specific interaction and report back to the Call Center regarding resolution of the issue. Karen Miller of my staff is copied on all of these communications to carriers.

Some carriers have questioned whether they are required to cooperate with the Call Center and respond to Call Center inquiries. This letter puts all carriers on notice that the Call Center is operating under the authority of the CPUC and all carriers must make every effort to cooperate with the Call Center. Any issue that cannot be resolved between a carrier and the Call Center may be escalated to Karen Miller.

Additionally, this letter puts carriers on official notice that TD, through the Call Center, is tracking incidences where carriers appear to put out of compliance with GO 153. This letter also puts carriers on notice that they must review how their service representatives and management are implementing GO 153, and take immediate action to correct any areas of non-compliance and/or inconsistencies.

I am sure that all carriers are aware that non-compliance with GO 153 constitutes a violation(s) of the Public Utilities Code, Article 8, Universal Lifeline Telephone Service. Through this letter, TD puts carriers on notice that they have two-weeks from the date of this letter to correct any GO 153 compliance issues. After the two-week period, any instance of non-compliance will be escalated within the CPUC and dealt with in a very serious manner.

Any carrier that identifies GO 153 compliance issues and takes corrective action, but requires time beyond the two-week period to ensure compliance, must provide to me before the end of the two-week period, their plan to correct the issues, and a date by which full compliance will be guaranteed.

If you have any questions, please contact Karen Miller at (415) 703-3073, or by e-mail at knr@cpuc.ca.gov.

Sincerely,

Jack Leutza, Director
Telecommunications Division

cc: All Commissioners
Bill Ahern